

House Watch

A summary of today's House actions;
published daily when the House is in session.



3/12/08

FINAL PASSAGE

[HB 5841](#)

(Meisner)

House Bill 5841 would amend the Michigan Business Tax Act to provide a credit against the tax for certain companies involved in the production of motion pictures, television programs, music videos, interactive games, and similar productions in Michigan. Credits would be available to companies that apply to and enter into agreements with the Michigan Film Office and would require the concurrence of the State Treasurer. Credits could equal 42 percent of "direct production expenditures" for a production in a "core community" and 40 percent of expenditures in a part of the state other than a core community. The credit would be refundable; that is, if it exceeded tax liability, the state would pay the excess amount to the company. The bill applies to productions initiated after February 29, 2008. A "direct production expenditure" refers to a development, production, or postproduction expenditure. The bill contains a lengthy list of included expenditures. To qualify, a company would have to spend at least \$50,000 in Michigan and not be delinquent on any state taxes. A company could not claim this credit if it had claimed the job training credit or the income tax credit or if someone else had claimed a credit based on the same expenditures. The credit would be reduced by a credit application redemption fee equal to one-half of one percent of the credit, with that amount to be deposited in the Michigan Film Promotion Fund. Work in the state on the project would have to begin within 90 days after the agreement or the agreement would expire (although this time period could be extended for an additional 90 days). The agreement would also contain a requirement that the production not depict obscene matter or an obscene performance.

- Committee substitute H-1 was adopted
- Meisner-2 was adopted
- HB 5841 advanced to 3rd Reading
- HB 5841 was passed [RC 146: 108 yes, 0 no]
- IE was ordered

HB 5842**(Young)**

House Bill 5842 would amend the General Sales Tax Act to repeal the current sales tax credit for motion picture production companies as of December 31, 2009. The bill also would reflect the transfer of the Michigan Film Office from the Department of History, Arts, and Libraries to the Michigan Strategic Fund, and to make other technical amendments.

- Committee substitute H-1 was adopted
- HB 5842 advanced to 3rd Reading
- HB 5842 was passed [RC 147: 108 yes, 0 no]
- IE was ordered

HB 5843**(Meltzer)**

House Bill 5843 would amend the Revenue Act (Public Act 122 of 1941) to allow the disclosure of certain information if the disclosure is needed for the administration of either the existing sales tax credit or the proposed MBT credit for production companies.

- HB 5843 advanced to 3rd Reading
- HB 5843 was passed [RC 149: 107 yes, 0 no]
- IE was ordered

HB 5844**(Johnson)**

House Bill 5844 would amend the Income Tax Act to allow a production company to claim a credit equal to the amount of the credit available under the MBT (as long as the MBT credit is not claimed as well). This would be a nonrefundable credit (that is, it could not exceed total tax liability). The credit would be reduced by a credit application redemption fee equal to one-half of one percent of the credit, with that amount to be deposited in the Michigan Film Promotion Fund.

- Huizenga-1 was adopted
- HB 5844 advanced to 3rd Reading
- HB 5844 was passed [RC 148: 108 yes, 0 no]
- IE was ordered

HB 5845**(Huizenga)**

House Bill 5845 would amend the Income Tax Act to allow a deduction from taxable income for all or a portion of a gain from an initial equity investment of \$25,000 or more in an eligible production company engaged in a production in Michigan if an amount equal to the sum of the taxpayer's basis in the investment plus the gain is reinvested in a company that engages in another production in the state within two years. This would apply for tax years beginning after December 31, 2007 and before October 1, 2015.

- Committee substitute H-1 was adopted
- HB 5845 advanced to 3rd Reading
- HB 5845 was passed [RC 150: 108 yes, 0 no]
- IE was ordered

HB 5846

(Byrum)

House Bill 5846 would amend the Michigan Business Tax Act to make available a credit for an investment of \$250,000 or more in a qualified film and digital media infrastructure project. Credits would be available to companies that apply to and enter into agreements with the Michigan Film Office and would require the concurrence of the State Treasurer. The credit would be equal to 25 percent of the taxpayer's base investment. No more than \$10 million in total credits could be authorized in any one tax year. An "infrastructure project" under the bill would be a production or post-production facility, movable and immovable property and equipment related to the facility, and any other facility that supports and is a necessary component to the production or post-production facility. (The term does not include a movie theater.) Work on the project would have to begin within 180 days after the date of the agreement (although a 90-day extension would be available.) This credit is available until September 30, 2015. The bill contains some of the same kind of procedural provisions for obtaining a credit certificate and the credit as House Bill 5841.

- Committee substitute H-1 was adopted
- HB 5846 advanced to 3rd Reading
- HB 5846 was passed [RC 151: 108 yes, 0 no]
- IE was ordered

HB 5847

(Donigan)

House Bill 5847 would amend the Michigan Economic Growth Authority Act to include film and media production businesses among the businesses eligible under the act for MEGA tax incentives.

- HB 5847 advanced to 3rd Reading
- HB 5847 was passed [RC 152: 108 yes, 0 no]
- IE was ordered

HB 5848

(Robert Jones)

House Bill 5848 would amend the Michigan Strategic Fund Act to do the following: (1) Allow a loan under the Small Business Access Program to be issued to an eligible production company (even if the company is not a small business). (2) Create the Michigan Film and Digital Media Investment Loan Program, as a separate and distinct part of the existing Loan Enhancement Program, to invest in loans to eligible production companies or to film and media private equity funds. No more than \$15 million could be loaned to any one production company or private equity fund for any one production. (3) Create the Choose Michigan Film and Digital Media Loan Fund to invest in loans to production companies eligible for a tax credit under the MEGA

Act or the MBT, with the minimum amount of a loan set at \$500,000 and the maximum term ten years.

- Committee substitute H-1 was adopted
- HB 5848 advanced to 3rd Reading
- HB 5848 was passed [RC 153: 108 yes, 0 no]
- IE was ordered

HB 5849 (Corriveau)

House Bill 5849 would amend the Michigan Business Tax Act to provide for a credit to production companies for qualified job training expenditures made to provide on-the job-training to Michigan residents on film crews for training that upgrades or enhances their skills. Credits would be available to companies that enter into agreements with the Michigan Film Office and would require the concurrence of the State Treasurer. The credit would equal 50 percent of job training expenditures. It would be available until September 30, 2015.

- Committee substitute H-1 was adopted
- HB 5849 advanced to 3rd Reading
- HB 5849 was passed [RC 154: 108 yes, 0 no]
- IE was ordered

HB 5850 (Coulouris)

House Bill 5850 would amend the Michigan Strategic Fund Act to (1) place the Michigan Film Office within the Strategic Fund, essentially reestablishing the Film Office and specifying that it is the successor to the Film Office currently found in Chapter 21 of the History, Arts, and Libraries Act. (2) Place into the statute the position of Michigan Film Commissioner, who would be the head of the Film Office and would be a gubernatorial appointee. (3) Create within the Fund the Michigan Film Office Advisory Council. (4) Create the Michigan Film Promotion Fund and allow its powers and duties to be exercised and performed by the Michigan Economic Development Corporation. (5) Repeal as of April 6, 2008, Sections 21 and 22 of the History, Arts, and Library Act, which currently contains provisions regarding the Film Office, the Film Commissioner, and the Film Advisory Council. The statutory duties of the Film Office would be greatly expanded under the proposed legislation. The Advisory Council membership would be changed somewhat.

- Committee substitute H-1 was adopted
- HB 5850 advanced to 3rd Reading
- HB 5850 was passed [RC 155: 108 yes, 0 no]
- IE was ordered

HB 5851 (Accavitti)

House Bill 5851 would amend the Management and Budget Act to allow the DMB director to authorize a person engaged in film production in Michigan to use without charge property owned

or under the control of the department or a state agency. The economic and other benefits to the state from film production would be considered the value received in exchange for the use of the property. The use of the property would be under the terms established by the DMB director. The department would be required to cooperate with the Michigan Film Office by providing information about potential film locations under its control.

- Committee substitute H-1 was adopted
- HB 5851 advanced to 3rd Reading
- HB 5851 was passed [RC 156: 107 yes, 0 no]
- IE was ordered

HB 5852 (Hildenbrand)

House Bill 5852 would amend the Michigan Military Act to allow the Adjutant General to authorize a person engaged in film production in Michigan to use without charge property owned or under the control of the Department of Military and Veterans Affairs. The economic and other benefits to the state from film production would be considered the value received in exchange for the use of the property. The use of the property would be under the terms established by the Adjutant General. The department would be required to cooperate with the Michigan Film Office by providing information about potential film locations under its control.

- Committee substitute H-1 was adopted
- HB 5852 advanced to 3rd Reading
- HB 5852 was passed [RC 157: 107 yes, 0 no]
- IE was ordered

HB 5853 (Kathleen Law)

House Bill 5853 would amend the Natural Resources and Environmental Protection Act to allow the DNR director to authorize a person engaged in film production in Michigan to use without charge property owned or under the control of the DNR. The economic and other benefits to the state from film production would be considered the value received in exchange for the use of the property. The use of the property would be under the terms established by the DNR director. The department would be required to cooperate with the Michigan Film Office by providing information about potential film locations under its control.

- Committee substitute H-1 was adopted
- HB 5853 advanced to 3rd Reading
- HB 5853 was passed [RC 158: 106 yes, 0 no]
- IE was ordered

HB 5854 (Clemente)

House Bill 5854 would amend Public Act 286 of 1964 (the state transportation commission act) to allow the director of the State Transportation Commission to authorize a person engaged in

film production in Michigan to use without charge property owned or under the control of the commission. The economic and other benefits to the state from film production would be considered the value received in exchange for the use of the property. The use of the property would be under the terms established by the commission or the director of the Department of Transportation. The department and commission would be required to cooperate with the Michigan Film Office by providing information about potential film locations under its control.

- Committee substitute H-1 was adopted
- HB 5854 advanced to 3rd Reading
- HB 5854 was passed [RC 159: 107 yes, 0 no]
- IE was ordered

HB 5855 (Miller)

House Bill 5855 would create a new act, the Local Government Filming Location Access Act, to allow a local unit of government to authorize a person engaged in film production in Michigan to use without charge property owned or under the control of the commission. The economic and other benefits to the state from film production would be considered the value received in exchange for the use of the property. The use of the property would be under the terms established by the local unit of government. A local unit would be required to cooperate with the Michigan Film Office by providing information about potential film locations.

- Committee substitute H-1 was adopted
- HB 5855 advanced to 3rd Reading
- HB 5855 was passed [RC 160: 107 yes, 0 no]
- IE was ordered

HB 5856 (Valentine)

House Bill 5856 would amend the History, Arts, and Libraries Act to remove definitions in the act that relate to the Michigan Film Office and the Michigan Film Advisory Commission (which would be removed from HAL under the legislative package).

- Committee substitute H-1 was adopted
- HB 5856 advanced to 3rd Reading
- HB 5856 was passed [RC 161: 107 yes, 0 no]
- IE was ordered

SB 1076 (Cropsey)

The bill (S-1) would amend the downtown development authority (DDA) Act to expand the definition of "qualified refunding obligation". Currently, the term includes an obligation issued or incurred by a DDA, or by a municipality on behalf of an authority, if the obligation is issued to refund a qualified refunding obligation issued in November 1997 and any subsequent refunding of that obligation issued before January 1, 2010. The bill would include in the definition an obligation issued or incurred by a DDA, or by a municipality on behalf of an

authority, to refund an obligation that was issued to refund a qualified refunding obligation issued on May 15, 1997. This provision would be limited to a DDA in which one parcel or group of parcels under common ownership represented 50% or more of the taxable value captured within the tax increment finance district and that ultimately would provide for at least a 40% reduction in the taxable value of the property. The bill specifies that an obligation described above that was issued before January 1, 2010, would not be subject to the requirements of Section 611 of the Revised Municipal Finance Act. The duration of the development program described in a DDA's tax increment financing plan relating to the qualified refunding obligations issued as described above would be extended to one year after the final date of maturity of the qualified refunding obligations.

- SB 1076 was discharged from committee
- Meadows substitute H-1 was adopted
- Byrum 1-A was adopted
- SB 1076 advanced to 3rd Reading
- SB 1076 was passed [RC 145: 106 yes, 0 no]
- IE was ordered